

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 18-76—SB 243

Human Services Committee

AN ACT CONCERNING AUDITS OF MEDICAL ASSISTANCE PROVIDERS

SUMMARY: This act makes several changes in the requirements the Department of Social Services (DSS) and its auditing contractors must follow when conducting Medicaid provider audits. The act:

1. requires the DSS commissioner and auditing contractors to accept certain types of documents when conducting Medicaid provider audits and allows them to seek additional documentation in various circumstances;
2. expands the information DSS and its auditing contractors must disclose to providers when beginning a Medicaid audit to include the types of information to be reviewed in the audit;
3. prohibits the DSS commissioner from applying updated medical payment codes in making audit determinations unless they were promulgated and distributed to a provider before the service included in the audit was rendered;
4. requires the DSS commissioner to ensure that auditors review any electronic medical record associated with a patient chart included in the audit;
5. requires the medical or dental professional who DSS or its auditing contractors keeps on staff, or consults with as needed, to have experience using and reviewing electronic medical records; and
6. requires the DSS commissioner to post standard audit procedures on the department's website.

EFFECTIVE DATE: July 1, 2018

AUDIT DOCUMENTATION REQUIREMENTS

The act requires the DSS commissioner and auditing contractors, when conducting Medicaid provider audits, to accept as sufficient proof of a written order (1) photocopies, (2) faxes, (3) electronically maintained documents, or (4) original pen and ink documents.

The act also requires the commissioner or contractors to accept a receipt signed by the Medicaid recipient or a nursing facility representative as proof that a covered item or service was delivered. For Medicaid-covered items or services delivered by a shipping or delivery service (e.g., durable medical equipment), the act requires DSS or the contractor to accept as proof of delivery a supplier's detailed shipping invoice and the delivery service tracking information substantiating delivery.

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The act allows the commissioner or auditor to seek additional documentation, including when (1) provided proof is insufficiently legible or contradicted by other information sources reviewed in the audit or (2) the commissioner or auditor makes a good faith determination that the provider is engaging in vendor fraud.